

## Summary of the ERP Efforts

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### **Navy:**

#### **VADM Joe Dyer**

#### **Navy ERP Integration Efforts**

As the need for common data and the potential synergy between Navy pilots became apparent, and the Navy's *Executive Steering Group* (ESG) wanted a formal mechanism that would ensure integration and resolution of cross-pilot issues. In September 2000, the ESG approved the creation of an *Integration and Coordination Board* (ICB). The ICB is comprised of the Program Managers of the four active Navy pilots, as well as DFAS, and DLA. A core integration team, appointed by the Program Managers, supports the ICB. These representatives report directly to the ICB. The team meets as often as necessary to resolve cross-organization issues at the working level, identify issues that should be sent to the ESG for decision, and address issues as directed by the ESG.

The ICB provides the following advantages:

- Improved cross-pilot coordination on scope, configuration, and deployment issues.
- Program Management authority for directing resources towards enterprise-wide solutions.
- Forum for consolidation of issues that can provide a rapid response.

As ESG principal members themselves, the board provides a high degree of insight for issues and concerns to the governing body. The ICB acts as the frontline decision authority on integration and coordination matters. Complex issues involving Navy wide strategic decisions or areas in which the ICB can not reach agreement are briefed to the ESG for final resolution. Additionally, the ICB works with the ESG secretariat to develop the monthly ESG agenda. The working relationship of the ICB will provide a formal mechanism around the ESG's goal of integration and cross-pilot issue resolution.

#### **Navy Aviation Supply Chain Management/Maintenance Pilot**

Project *Supply Maintenance Aviation Reengineering Team (SMART)*

Program Managers: Kevin Fitzpatrick (717) 605-6913 & Dennis Distler

Integrator: EDS

NAVAIR and NAVSUP jointly sponsor this pilot. In general, the operational objective of supply chain management is to provide the highest levels of readiness and combat effectiveness to the warfighter by delivering the required support with limited resources. The scope of the SMART ERP encompasses a number of organizations and claimancies. Additionally, the scope of the pilot includes Organizational, Intermediate & Depot level maintenance applicable to the E-2C Aircraft and the LM-2500 Gas Turbine Engine programs.

In order to minimize the risks and maximize the benefits associated with an ERP solution a four-phase approach to implementation was developed:

- Phase 0: The Navy team developed a Business Case Analysis (BCA) on the potential for cost avoidance from an enterprise wide ERP implementation, planned for source selection, prepared an RFP, conducted analysis for an ESG decision to proceed with Phase I, and awarded the Integrator contract to EDS, Inc.
- Phase I: The Navy team employed a leading industry ERP integrator to work with the Navy team to map "AS-IS" supply/maintenance system, prioritize business processes for reengineering, select a software solution, perform gap analysis, and make recommendations for an ERP pilot solution supported by a BCA.
- Phase II: The Navy team/ERP integrator will implement the pilot of the recommended ERP solution for the E-2 aircraft and the LM-2500 gas turbine engine, configure software, design processes, and develop an enterprise transition plan supported by a BCA.

- Phase III: The ESG, based on pilot results, a revised BCA, and the results of other Commercial Business Practice ERP pilots, will expand an ERP solution to all naval aviation weapons systems/equipment, and potentially all surface and subsurface systems/equipment.

Additional information on the project can be found at:

### **Navy Program Management Pilot**

Project *Sigma*

Program Manager: Ms. Carol Kurtz (301)-995-4062

Integrator: KPMG

NAVAIR is lead on the Program Management (SIGMA) pilot as well as co-lead on the aviation supply chain/maintenance management (SMART) pilot with the Naval Supply systems Command. For the Program Management Pilot, NAVAIR's goal is to become a process-centered organization, focused on continuous improvement, while measuring performance and utilizing performance measurement to drive behavior and results.

Beginning in February 2000, NAVAIR selected KPMG to provide and install field proven commercial off-the-shelf SAP ERP capability with minimum customization. KPMG Consulting will team with SAIC and IBM to carry out the five-year contract to assist the TEAM with implementing ERP.

NAVAIR is planning a five-year phased approach (one-year Pilot followed by four 12-15 month Waves) to achieve full ERP capability. Deployment will begin in March 2001. The Pilot Phase is intended to demonstrate program management capability using data and processes from the E-2C Hawkeye program office and will impact the program's NAVAIR Headquarters, North Island, Patuxent River and Orlando locations. Currently, the pilot will cover four main focus areas within Program Management:

- Financial Management
- Weapon System Acquisition
- Asset Tracking / Configuration Management
- Human Resources

### **Navy Regional Maintenance Project**

Project *Navy Enterprise Maintenance Automated Information System (NEMAIS)*

Program Manager: Mike Petz 202-781-1788 757-445-6032 (Norfolk)

Integrator: IBM

The goal for NAVSEA/CINCLANTFLT is to optimize Intermediate and Depot Level maintenance support for the warfighter. The NEMAIS pilots is a phased effort that will eventually install an ERP system in all Naval Shipyards, Supervisor of Shipbuilding sites, Shore Intermediate Maintenance Activities, Trident Refit Facilities, all Naval ships and submarines.

The project has been divided into the following phases:

- A: Mid Atlantic Regional Maintenance
- B: Norfolk Naval Shipyard
- C: Legacy data conversion, concurrent with Phase B
- D: Remaining maintenance regions (7)
- E: Supervisor of Shipbuilding sites
- F: Mobile Enterprise Resource Planning – 300 Navy Ships.

### **Navy Working Capital Fund Management (NWCF) Pilot**

Project *Cabrillo*

Program Manager: Randy Volker (619) 553-5115

Integrator: PricewaterhouseCoopers

The Navy Working Capital Fund (NWCF) pilot focuses on improving the business operations, process, and support systems at SSC San Diego. A business case analysis for this initiative, completed in 1999, determined that addressing several functional areas of our enterprise would achieve the most operating

cost reductions and improvements in the efficiencies and effectiveness in our business operations. As a result, the NWCF ERP pilot will address the integration of our overall business practices and processes including:

- Strategic Planning
- Project Management
- Financial Management
- Procurement Management
- Asset Management
- Human Resource Management

The newly formed ERP Program Office is managing this effort, with a project team assembled from across SSC San Diego. The management of projects in the technical departments is the center of our business universe; therefore it is critical that this ERP implementation support these project teams in delivering quality products and services to our customers.

On June 2000, PricewaterhouseCoopers was selected as the system integrator for the NWCF pilot. The initial ERP capability rolled out in July of 2001. As this occurs, over 40 SSC San Diego legacy business systems will begin to be retired with associated cost savings.

## **Defense Logistics Agency**

RADM Ray Archer

Project *Business Systems Modernization (BSM)*

PM: Dave Falvey 703-767-3326, 703-915-2633 (C)

Integrator: Accenture

The BSM strategy is an integral part of DLA's ongoing logistics transformation, represented by partnerships and improved cooperation with both customers and suppliers. DLA currently provides common logistics support to the Military Services and Commanders in Chief using legacy materiel management systems such as Standard Automated Materiel Management System (SAMMS) and Defense Integrated Subsistence Management System (DISMS). These legacy systems are the product of decades of accumulated and divergent business practices, using technology that is obsolete and is no longer supported by the original equipment manufactures and software support provider.

BSM is a member of the GCSS Family of Systems (FoS) and will comply with the requirements of the GCSS Capstone Requirements Document. BSM received its Milestone 0 approval on December 21, 1999, to enter Phase 0, Concept Exploration. The Joint Requirements Oversight Council (JROC) validated BSM Operational Requirements Document (ORD) on June 26, 2000. BSM received Milestone I/II approval on August 1, 2000. Milestone I/II approval authorized beginning Phase 1/2, Concept Demonstration. Phase 1/2 encompasses FY01 and FY02. Milestone III(c) approval is anticipated in late FY02. Milestone II(c) authorizes the production and deployment phase of the program.

## **Army**

LTG Roy Beauchamp

Project *Wholesale Logistics Modernization Program (WLMP)*

Program Director: Paul Capelli

Service Provider & Integrator: CSC

The Army is taking a different approach with the WLMP and formed a 10-year service arrangement with CSC for the management and modernization of the Army's wholesale logistics management systems. Transfer of the legacy system operation move over to CSC on July 1, 2000. The WLMP services will replace the existing Commodity Command Standard System (CCSS) and the Standard Depot System (SDS). The strategic alliance with CSC is based on maximum service level benefits for maximum performance bonus awards. Services can be expanded through the current contract via task order. The goal of the modernization effort is to reengineer the current wholesale logistics business processes, facilitated by the appropriate enabling information technology, to provide integrated, seamless, flexible

information management services in support of the Army's wholesale logistics mission. Integral to the success of the modernization is a thorough business process reengineering (BPR) effort. The acquisition includes the SAP Enterprise Resource Planning (ERP) package to meet the performance requirements for the modernized services. The intent is to achieve a functional architecture capable of meeting immediate business requirements, as well as having the flexibility to accommodate emerging requirements while evolving with the commercial marketplace. When fully implemented services provided by WLMP will include managing demand, supply, availability, distribution, master data and financial reporting and control.